

JANUARY 3, 1996

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS
ADMINISTRATION TOOK FORMAL ACTION ON JANUARY 3, 1996, IN THE AGENCY OFFICE,
355 WEST NORTH TEMPLE, 3 TRIAD CENTER, SUITE 400, SALT LAKE CITY, UTAH
84180-1204, ON THE BELOW-LISTED MINERAL AND SURFACE BUSINESS MATTERS AS
INDICATED.

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MINERAL ESTATE BUSINESS MATTERS

* * * * *

TOTAL ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Cooper, the Director approved the assignment of
the lease listed below to Dugan Production Corp., P.O. Box 420, Farmington,
NM 87499, by David A. Wolfe. No override.

LEASE OWNERSHIP: DAVID A. WOLFE

....ML 44640....

Upon recommendation of Mr. Cooper, the Director approved the assignment of
the leases listed below to Kidd Family Partnership Limited, 3838 Oak Lawn
Avenue, Suite 725, Dallas, TX 75219, by Steven S. Etkind, dba Etkind
Financial Services. No override.

LEASE OWNERSHIP: STEVEN S. ETKIND, DBA ETKIND FINANCIAL SERVICES

....ML 46888....ML 47014....ML 47015....

OVERRIDING ROYALTY ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Cooper, the Director approved the assignment of
8.5% of 8/8ths overriding royalty interest in and to the lease listed below
to Inland Production Company, 475 Seventeenth Street, Suite 1500, Denver,
CO 80202, by Joint Energy Development Investments Limited Partnership.
The State assumes no responsibility in collecting or distributing
overriding royalty. **REFUND: \$328.00 OVERPAYMENT IN FILING FEES**

LEASE OWNERSHIP: CHEVRON U.S.A. INC.

OVERRIDING ROYALTY:

JOINT ENERGY DEVELOPMENT INVESTMENTS LIMITED
PARTNERSHIP--8.5% OF 8/8THS

....ML 21835....

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OVERRIDING ROYALTY ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (CONT'D)

Upon recommendation of Mr. Cooper, the Director approved the assignment of 8.5% of 8/8ths overriding royalty interest in and to the lease listed below to Inland Production Company, 475 Seventeenth Street, Suite 1500, Denver, CO 80202, by Joint Energy Development Investments Limited Partnership. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: T9S, R16E, SLB&M. 240.72 ACRES
 Sec. 2: N $\frac{1}{2}$ N $\frac{1}{2}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$
 DALEN RESOURCES OIL & GAS CO.--75%, AND
 KEY PRODUCTION COMPANY INC.--25%
 T9S, R16E, SLB&M. 400.00 ACRES
 Sec. 2: S $\frac{1}{2}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$
 DALEN RESOURCES OIL & GAS CO.--75%, AND
 INLAND PRODUCTION COMPANY--25%
OVERRIDING ROYALTY:
 JOINT ENERGY DEVELOPMENT INVESTMENTS LIMITED
 PARTNERSHIP--8.5% OF 8/8THS

....ML 21839....

Upon recommendation of Mr. Cooper, the Director approved the assignment of 8.5% of 8/8ths overriding royalty interest in and to the lease listed below to Inland Production Company, 475 Seventeenth Street, Suite 1500, Denver, CO 80202, by Joint Energy Development Investments Limited Partnership. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: DALEN RESOURCES OIL & GAS CO.--75%, AND
 KEY PRODUCTION COMPANY INC.--25%
OVERRIDING ROYALTY:
 JOINT ENERGY DEVELOPMENT INVESTMENTS LIMITED
 PARTNERSHIP--8.5% OF 8/8THS

....ML 22060....

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OVERRIDING ROYALTY ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (CONT'D)

Upon recommendation of Mr. Cooper, the Director approved the assignment of 8.5% of 8/8ths overriding royalty interest in and to the lease listed below to Inland Production Company, 475 Seventeenth Street, Suite 1500, Denver, CO 80202, by Joint Energy Development Investments Limited Partnership. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: T8S, R16E, SLB&M. 240.00 ACRES
 Sec. 36: W $\frac{1}{2}$ W $\frac{1}{2}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$
 DALEN RESOURCES OIL & GAS CO.--75%, AND
 KEY PRODUCTION COMPANY INC.--25%
 T8S, R16E, SLB&M. 400.00 ACRES
 Sec. 36: NE $\frac{1}{4}$, SE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$
 DALEN RESOURCES OIL & GAS CO.--75%, AND
 INLAND PRODUCTION COMPANY--25%
OVERRIDING ROYALTY:
 JOINT ENERGY DEVELOPMENT INVESTMENTS LIMITED
 PARTNERSHIP--8.5% OF 8/8THS

....ML 22061....

Upon recommendation of Mr. Cooper, the Director approved the assignment of 8.5% of 8/8ths overriding royalty interest in and to the lease listed below to Inland Production Company, 475 Seventeenth Street, Suite 1500, Denver, CO 80202, by Joint Energy Development Investments Limited Partnership. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: INLAND PRODUCTION COMPANY
OVERRIDING ROYALTY:
 JOINT ENERGY DEVELOPMENT INVESTMENTS LIMITED
 PARTNERSHIP--8.5% OF 8/8THS

....ML 45554

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OVERRIDING ROYALTY ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (CONT'D)

Upon recommendation of Mr. Cooper, the Director approved the assignment of 7% overriding royalty interest in and to the lease listed below to TCW DR IV Royalty Partnership, L.P., C/O Trust Company of the West, 865 South Figueroa, Los Angeles, CA 90017, by Inland Production Company. The State assumes no responsibility in collecting or distributing overriding royalty. (The conveyance of overriding royalties is approved to the extent that in accordance with Rule R850-20-2200(5)(h) the cumulative overriding royalty does not exceed the royalty attributable to the State. Any overriding royalty created by this conveyance which is in excess of the royalty on the lease is disapproved as to the amount of excess overriding royalty only. The additional terms and conditions of the conveyance are neither approved nor disapproved. The approval process for any subsequent assignment of interest by any party to the conveyance shall be in accordance with relevant statutes and rules and shall not be affected by any different terms or conditions which may be contained in the conveyance.)

LEASE OWNERSHIP: CHEVRON U.S.A. INC.
OVERRIDING ROYALTY:
INLAND PRODUCTION COMPANY--8.5% OF 8/8THS

....ML 21835....

OVERRIDING ROYALTY ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (CONT'D)

Upon recommendation of Mr. Cooper, the Director approved the assignment of 7% overriding royalty interest in and to the lease listed below to TCW DR IV Royalty Partnership, L.P., C/O Trust Company of the West, 865 South Figueroa, Los Angeles, CA 90017, by Inland Production Company. The State assumes no responsibility in collecting or distributing overriding royalty. (The conveyance of overriding royalties is approved to the extent that in accordance with Rule R850-20-2200(5)(h) the cumulative overriding royalty does not exceed the royalty attributable to the State. Any overriding royalty created by this conveyance which is in excess of the royalty on the lease is disapproved as to the amount of excess overriding royalty only. The additional terms and conditions of the conveyance are neither approved nor disapproved. The approval process for any subsequent assignment of interest by any party to the conveyance shall be in accordance with relevant statutes and rules and shall not be affected by any different terms or conditions which may be contained in the conveyance.)

LEASE OWNERSHIP: T9S, R16E, SLB&M. 240.72 ACRES
 Sec. 2: N $\frac{1}{2}$ N $\frac{1}{2}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$
 DALEN RESOURCES OIL & GAS CO.--75%, AND
 KEY PRODUCTION COMPANY INC.--25%
 T9S, R16E, SLB&M. 400.00 ACRES
 Sec. 2: S $\frac{1}{2}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$
 DALEN RESOURCES OIL & GAS CO.--75%, AND
 INLAND PRODUCTION COMPANY--25%
OVERRIDING ROYALTY:
 INLAND PRODUCTION COMPANY--8.5% OF 8/8THS

....ML 21839....

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OVERRIDING ROYALTY ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (CONT'D)

Upon recommendation of Mr. Cooper, the Director approved the assignment of 7% overriding royalty interest in and to the lease listed below to TCW DR IV Royalty Partnership, L.P., C/O Trust Company of the West, 865 South Figueroa, Los Angeles, CA 90017, by Inland Production Company. The State assumes no responsibility in collecting or distributing overriding royalty. (The conveyance of overriding royalties is approved to the extent that in accordance with Rule R850-20-2200(5)(h) the cumulative overriding royalty does not exceed the royalty attributable to the State. Any overriding royalty created by this conveyance which is in excess of the royalty on the lease is disapproved as to the amount of excess overriding royalty only. The additional terms and conditions of the conveyance are neither approved nor disapproved. The approval process for any subsequent assignment of interest by any party to the conveyance shall be in accordance with relevant statutes and rules and shall not be affected by any different terms or conditions which may be contained in the conveyance.)

LEASE OWNERSHIP: DALEN RESOURCES OIL & GAS CO.--75%, AND
 KEY PRODUCTION COMPANY INC.--25%
OVERRIDING ROYALTY:
 INLAND PRODUCTION COMPANY--8.5% OF 8/8THS

....ML 22060....

OVERRIDING ROYALTY ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (CONT'D)

Upon recommendation of Mr. Cooper, the Director approved the assignment of 7% overriding royalty interest in and to the lease listed below to TCW DR IV Royalty Partnership, L.P., C/O Trust Company of the West, 865 South Figueroa, Los Angeles, CA 90017, by Inland Production Company. The State assumes no responsibility in collecting or distributing overriding royalty. (The conveyance of overriding royalties is approved to the extent that in accordance with Rule R850-20-2200(5)(h) the cumulative overriding royalty does not exceed the royalty attributable to the State. Any overriding royalty created by this conveyance which is in excess of the royalty on the lease is disapproved as to the amount of excess overriding royalty only. The additional terms and conditions of the conveyance are neither approved nor disapproved. The approval process for any subsequent assignment of interest by any party to the conveyance shall be in accordance with relevant statutes and rules and shall not be affected by any different terms or conditions which may be contained in the conveyance.)

LEASE OWNERSHIP: T8S, R16E, SLB&M. 240.00 ACRES
 Sec. 36: W $\frac{1}{2}$ W $\frac{1}{2}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$
 DALEN RESOURCES OIL & GAS CO.--75%, AND
 KEY PRODUCTION COMPANY INC.--25%
 T8S, R16E, SLB&M. 400.00 ACRES
 Sec. 36: NE $\frac{1}{4}$, SE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$
 DALEN RESOURCES OIL & GAS CO.--75%, AND
 INLAND PRODUCTION COMPANY--25%
OVERRIDING ROYALTY:
 INLAND PRODUCTION COMPANY--8.5% OF 8/8THS

....ML 22061....

OVERRIDING ROYALTY ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (CONT'D)

Upon recommendation of Mr. Cooper, the Director approved the assignment of 7% overriding royalty interest in and to the lease listed below to TCW DR IV Royalty Partnership, L.P., C/O Trust Company of the West, 865 South Figueroa, Los Angeles, CA 90017, by Inland Production Company. The State assumes no responsibility in collecting or distributing overriding royalty. (The conveyance of overriding royalties is approved to the extent that in accordance with Rule R850-20-2200(5)(h) the cumulative overriding royalty does not exceed the royalty attributable to the State. Any overriding royalty created by this conveyance which is in excess of the royalty on the lease is disapproved as to the amount of excess overriding royalty only. The additional terms and conditions of the conveyance are neither approved nor disapproved. The approval process for any subsequent assignment of interest by any party to the conveyance shall be in accordance with relevant statutes and rules and shall not be affected by any different terms or conditions which may be contained in the conveyance.)

LEASE OWNERSHIP: INLAND PRODUCTION COMPANY
OVERRIDING ROYALTY:
INLAND PRODUCTION COMPANY--8.5% OF 8/8THS

....ML 45554

Upon recommendation of Mr. Cooper, the Director approved the assignment of 3.75% of 8/8ths overriding royalty interest in and to the leases listed below to Frizzell Exploration Company II (.875% of 8/8ths), 241 Pine, Suite 6-A, Abilene, TX 79601, Robert D. Gunn, and his wife, Frances E. Gunn (.875% of 8/8ths), P.O. Box G.O.C.O., Wichita Falls, TX 76307, DeLaFosse Properties, Ltd. (.875% of 8/8ths), P.O. Drawer 787, Albany, TX 76430, Warren, Inc. (.875% of 8/8ths), P.O. Box 7250, Albuquerque, NM 87194, Michael C. Donegan and his wife, Kathryn N. Donegan (.125% of 8/8ths), P.O. Box 1409, Boerne, TX 78006, and Stephen D. Nolan and his wife, Nancy J. Nolan (.125% of 8/8ths), 14 Calle Del Sol, Placitas, NM 87043-9209, by Ben Donegan. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: RANGELAND PETROLEUM CORPORATION
OVERRIDING ROYALTY:
BEN DONEGAN--4%

....ML 44260....ML 44262....ML 44265....

OVERRIDING ROYALTY ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (CONT'D)

Upon recommendation of Mr. Cooper, the Director approved the assignment of 4.25% of 8/8ths overriding royalty interest in and to the leases listed below to Frizzell Exploration Company II (.700% of 8/8ths), 241 Pine, Suite 6-A, Abilene, TX 79601, Roy Guffey Oil Company (.700% of 8/8ths), 1116 One Energy Square, 4925 Greenville Avenue, Dallas, TX 75206, Robert Patton (.350% of 8/8ths), P.O. Box 3399, Abilene, TX 79604-3399, Jim M. Polk, a single man (.350% of 8/8ths), P.O. Box 3315, Abilene, TX 79604-3315, Texzona Oil & Gas, Inc. (.700% of 8/8ths), P.O. Box 6127, Abilene, TX 79608, Warren, Inc. (.700% of 8/8ths), P.O. Box 7250, Albuquerque, NM 87194, Michael C. Donegan and his wife, Kathryn N. Donegan (.375% of 8/8ths), P.O. Box 1409, Boerne, TX 78006, and Stephen D. Nolan and his wife, Nancy J. Nolan (.375% of 8/8ths), 14 Calle Del Sol, Placitas, NM 87043-9209, by Ben Donegan. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: RANGELAND PETROLEUM CORPORATION
OVERRIDING ROYALTY:
BEN DONEGAN--5%

....ML 45290....ML 45291....ML 45292....ML 45294....ML 45296....
....ML 45298....ML 45299....ML 45300....ML 45301....ML 45305....
....ML 45307....ML 45313....ML 45478....ML 45479....ML 45480....
....ML 45481....ML 45482....ML 45525....ML 45526....ML 45527....
....ML 45528....ML 45529....ML 45530....ML 45531....ML 45532....
....ML 45546....ML 45547....ML 45548....ML 45577....ML 45578....
....ML 45586....

Upon recommendation of Mr. Cooper, the Director approved the assignment of 4.25% of 8/8ths overriding royalty interest in and to the leases listed below to Frizzell Exploration Company II (.875% of 8/8ths), 241 Pine, Suite 6-A, Abilene, TX 79601, Roy Guffey Oil Company (.875% of 8/8ths), 1116 One Energy Square, 4925 Greenville Avenue, Dallas, TX 75206, Robert D. Gunn and his wife, Frances E. Gunn (.4375% of 8/8ths), P.O. Box G.O.C.O. Wichita Falls, TX 76307, DeLaFosse Propertes, Ltd. (.4375% of 8/8ths), P.O. Drawer 787, Albany, TX 76430, Warren, Inc. (.875% of 8/8ths), P.O. Box 7250, Albuquerque, NM 87194, Michael C. Donegan and his wife, Kathryn N. Donegan (.375% of 8/8ths), P.O. Box 1409, Boerne, TX 78006, and Stephen D. Nolan and his wife, Nancy J. Nolan (.375% of 8/8ths), 14 Calle Del Sol, Placitas, NM 87043-9209, by Ben Donegan. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: RANGELAND PETROLEUM CORPORATION
OVERRIDING ROYALTY:
BEN DONEGAN--5%

....ML 45333....ML 45334....ML 45335....ML 45391....ML 45336....

OVERRIDING ROYALTY ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (CONT'D)

Upon recommendation of Mr. Cooper, the Director approved the assignment of 3.75% of 8/8ths overriding royalty interest in and to the leases listed below to Frizzell Exploration Company II (.875% of 8/8ths), 241 Pine, Suite 6-A, Abilene, TX 79601, Robert D. Gunn and his wife, Frances E. Gunn (.875% of 8/8ths), P.O. Box G.O.C.O. Wichita Falls, TX 76307, DeLaFosse Propertes, Ltd. (.875% of 8/8ths), P.O. Drawer 787, Albany, TX 76430, Warren, Inc. (.875% of 8/8ths), P.O. Box 7250, Albuquerque, NM 87194, Michael C. Donegan and his wife, Kathryn N. Donegan (.125% of 8/8ths), P.O. Box 1409, Boerne, TX 78006, and Stephen D. Nolan and his wife, Nancy J. Nolan (.125% of 8/8ths), 14 Calle Del Sol, Placitas, NM 87043-9209, by Ben Donegan. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: RANGELAND PETROLEUM CORPORATION
OVERRIDING ROYALTY:
BEN DONEGAN--5%

....ML 45584....ML 45588....

Upon recommendation of Mr. Cooper, the Director approved the assignment of 4.25% of 8/8ths overriding royalty interest in and to the leases listed below to Frizzell Exploration Company II (.875% of 8/8ths), 241 Pine, Suite 6-A, Abilene, TX 79601, Robert D. Gunn and his wife, Frances E. Gunn (.875% of 8/8ths), P.O. Box G.O.C.O. Wichita Falls, TX 76307, DeLaFosse Propertes, Ltd. (.875% of 8/8ths), P.O. Drawer 787, Albany, TX 76430, Warren, Inc. (.875% of 8/8ths), P.O. Box 7250, Albuquerque, NM 87194, Michael C. Donegan and his wife, Kathryn N. Donegan (.375% of 8/8ths), P.O. Box 1409, Boerne, TX 78006, and Stephen D. Nolan and his wife, Nancy J. Nolan (.375% of 8/8ths), 14 Calle Del Sol, Placitas, NM 87043-9209, by Ben Donegan. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: RANGELAND PETROLEUM CORPORATION
OVERRIDING ROYALTY:
BEN DONEGAN--5%

....ML 45645....ML 45702....ML 45703....ML 45704....ML 45707....
....ML 45708....ML 45709....ML 45820....ML 45821....ML 45823....
....ML 45824....ML 45831....ML 45833....ML 45932....ML 45939....
....ML 45943....

OVERRIDING ROYALTY ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (CONT'D)

Upon recommendation of Mr. Cooper, the Director approved the assignment of 4.312970% of 8/8ths overriding royalty interest in and to the leases listed below to Frizzell Exploration Company II (.411510% of 8/8ths), 241 Pine, Suite 6-A, Abilene, TX 79601, L. Clark Arnold or Ardith P. Arnold, Trustees of the Arnold Family Trust dated 2/20/92 (.154100% of 8/8ths), 201 E. Rodasill Road, Tucson, AZ 85704, E.A. Beaumont, a single man (.154100% of 8/8ths), 1444 S. Boulder, Tulsa, OK 74119, Michael C. Donegan and his wife, Kathryn N. Donegan (.343520% of 8/8ths), P.O. Box 1409, Boerne, TX 78006, Stephen D. Nolan and his wife, Nancy J. Nolan (.343520% of 8/8ths), 14 Calle De Sol, Placitas, NM 87043-9209, Roy Guffey Oil Company (.411510% of 8/8ths), 1116 One Energy Square, 4925 Greenville Avenue, Dallas, TX 75206, Robert D. Gunn and his wife, Frances E. Gunn (.506780% of 8/8ths), P.O. Box G.O.C.O. Wichita Falls, TX 76307, DeLaFosse Properties, Ltd. (.506780% of 8/8ths), P.O. Drawer 787, Albany, TX 76430, Robert Patton (.087685% of 8/8ths), P.O. Box 3399, Abilene, TX 79604-3399, Jim M. Polk, a single man (.087685% of 8/8ths), P.O. Box 3315, Abilene, TX 79604-3315, Patrick J. Rogers and his wife, Julie R. Rogers (.04108% of 8/8ths), 2304 Calle De Sancho, Albuquerque, NM 87104, John W. Shomaker and his wife, Dianna J. Shomaker (.029450% of 8/8ths), 2703 Broadbent Parkway N.E., Suite D, Albuquerque, NM 87107, Texzona Oil & Gas, Inc. (.175370% of 8/8ths), P.O. Box 6127, Abilene, TX 79608, and Warren, Inc. (1.059880% of 8/8ths), P.O. Box 7250, Albuquerque, NM 87194, by Ben Donegan. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: RANGELAND PETROLEUM CORPORATION
OVERRIDING ROYALTY:
BEN DONEGAN--5%

....ML 45828....ML 45829....

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PLACEMENT OF DEED OF TRUST, MORTGAGE, LINE OF CREDIT MORTGAGE, ASSIGNMENT, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT FROM INLAND PRODUCTION COMPANY TO FIRST AMERICAN TITLE COMPANY OF UTAH, TRUSTEE AND TCW ASSET MANAGEMENT COMPANY, COLLATERAL AGENT--ML 21835, ML 21839, ML 22060, ML 22061, AND ML 45544--OIL, GAS, AND HYDROCARBON

This office has received a Deed of Trust, Mortgage, Line of Credit Mortgage, Assignment, Security Agreement, Fixture Filing and Financing Statement from Inland Production Company to First American Title Company of Utah, Trustee and TCW Asset Management Company, Collateral Agent dated November 29, 1995, and covering ML 21835, ML 21839, ML 22060, ML 22061, and ML 45544--Oil, Gas, and Hydrocarbon.

This document has been placed in our files.

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ML 45609--BUILDING STONE/LIMESTONE; COTTER CORPORATION; M/037/084; PAPOOSE
MINE; AMENDMENT OF SURETY BOND #U 247 55 86

On September 6, 1995, the Trust Lands Administration accepted Surety Bond #U 247 55 86, in the amount of \$100,000, for limestone quarry operations at the Papoose Mine upon lands under Mineral Lease ML 45609. The surety bond is held for reclamation performance and for the payment of rental and royalty accruing to the mineral lease.

The Division of Oil, Gas & Mining estimates reclamation costs for the Papoose Mine to be \$47,600. The minerals staff believes that \$6,400 is sufficient surety for the timely payment of rental and royalty accruing to the lease. Accordingly, a rider has been submitted by the Cotter Corp., reducing the amount of the Surety Bond #U 247 55 86 from \$100,000 down to \$54,000. The Division of Oil, Gas & Mining has indicated its concurrence in this action.

Upon recommendation of Mr. Blake, the Director approved the acceptance of the rider dated December 19, 1995, reducing the amount of liability to \$54,000 under the above numbered bond.

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SURFACE ESTATE BUSINESS MATTERS

* * * * *

EASEMENTS

EASEMENT NO. 339

APPLICANT'S NAME AND ADDRESS:

GREG ALLEN
125 W. 200 S.
KINGSTON, UT 84743

LEGAL DESCRIPTION:

Township 29 South Range 2 West, SLB&M
Section 16:

Diversion and Inlet Structure -- STA. 10+00
Approximately 700 feet west and 600 feet south of the NE corner,
NE4SE4 of Section 16.

From this point the pipeline runs approximately 230 ft Northwesterly to the road. From this point the pipe runs west approximately 300 feet along the south side of the road where it turns south and runs SW along the east and west sides of the road for approximately 1900 feet

EASEMENT NO. 339 (CONT'D)

at which point the pipeline leaves State-owned land at Sta. 34+25 approx. (2425 feet of pipe on State land.) Pipe crosses creek at Sta. 26+25 and crosses to north side of road at Sta. 27+00. At Sta. 39+00 pipe leaves road to the north and crosses the creek where it turns east and follows the ditch and road to the existing pond ending at Sta. 62+00.

Total length in pipeline is approximately 2425 feet.

COUNTY: Piute ACRES: 0.57 FUND: School

PROPOSED ACTION:

The applicant is requesting an easement 10 feet wide and 2,125 feet long along an existing county road to install a buried 18 " water pipeline.

RELEVANT FACTUAL BACKGROUND:

On August 23, 1995, the Agency received an easement application for a pipeline to be installed along the shoulder of an existing county road. Piute County has been contacted by the applicant and has no concerns with this proposal.

CRITERIA FOR EVALUATION:

Easements are excluded from the narrative record of decision process if all of the following four conditions exist:

1. The proposed easement is not located entirely on Trust land or, if it is located entirely on Trust land, it is located in an existing corridor.
2. The proposed easement term is 30 years or less.
3. The applicant has paid the fee as determined by the Agency.
4. The proposed easement will not have an unreasonably adverse effect on the developability or marketability of the subject property.

Easement charges are determined pursuant to R850-40-600:

The agency may annually establish price schedules for easements based on the cost incurred by the agency in administering the easement and the fair-market value of the particular use.

EVALUATION OF FACTS:

The proposed easement is not located entirely on Trust land and is within an existing easement corridor being an existing road. It is for a term of thirty years, and the applicant has paid the Agency-determined fee.

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EASEMENT NO. 339 (CONT'D)

As far as the staff has been able to determine, there will be no unreasonable adverse effect on the marketability or developability of the subject property. Therefore, this summary will constitute the record of decision.

This proposal was sent through the Resource Development Coordinating Committee (RDCC) and comments were received from the Utah Geological Survey who indicated that landslide hazard potential may exist in this area. The Agency responded that the applicant would be made aware of these concerns.

Initial consultation with the Agency Archeologist and Division of State History determined that a cultural resource survey would be required. This survey was completed by the BLM and submitted to the Agency Archeologist which indicated that no sites are present in this area and there will be no impact to cultural resources.

Upon recommendation from Mr. Brown, Mr. Carter Approved Easement No. 339 for a term of 30 years, with the fee being \$1,545.48 plus a \$600.00 application fee, with an administrative fee being assessed every three years beginning January 1, 1998. The expiration date will be December 31, 2025.

EASEMENT NO. 348

APPLICANT'S NAME AND ADDRESS:

City of Santa Clara
P.O. Box 699
2721 Santa Clara Drive
Santa Clara, UT 84765

LEGAL DESCRIPTION:

Township 42 South Range 16 West, SLB&M
Section 15: NE4 Tract 37

Beginning at the South 1/4 corner of said section Section 22 (Brass Cap) and running thence N 00°46'45" W 4.62 feet; thence along the arc of a curve to the left said curve having a radius of 175.00 feet, arc length of 43.03 feet. A chord bearing of N 07°49'26" W, and a chord length of 42.92 feet; thence along the arc of a curve to the right said curve having a radius of 235.00 feet, arc length of 113.76 feet. A chord bearing of N 01°00'00" W, and a chord length of 112.65 feet; thence along the arc of a curve to the left, said curve having a radius of 15.00 feet, arc length of 21.89 feet, a chord bearing of N 28°55'58" W and a chord length of 20.00 feet to the south line of Santa Clara Boulevard; thence S 70°44'01" E, 90.89 feet along said boulevard; thence along the arc of a curve to the left, said

EASEMENT NO. 348 (CONT'D)

curve having a radius of 15.00 feet, arc length of 26.19 feet, a chord bearing of S 59°15'09" W, and a chord length of 22.99 feet; thence along the arc of a curve to the left, said curve having a radius of 175.00 feet, arc length of 173.63 feet, a chord bearing of S 02°48'53" E, and a chord length of 73.09 feet; thence along the arc of a curve to the right, said curve having a radius of 235.00 feet, arc length of 57.79 feet, a chord bearing of S 07°49'26" E, and a chord length of 147.64 feet; thence S 00°46'45" E, 4.65 feet to the south line of said section 15; thence S 89°74'45" W 60.00 feet along the section line to the point of beginning.

COUNTY: Washington ACRES: 0.23 FUND: School

PROPOSED ACTION:

The applicant is requesting a 60 foot wide 164.32 foot long easement on an existing road for access to an existing development and private land.

RELEVANT FACTUAL BACKGROUND:

On October 10, 1995, the Agency received an application for an easement on an existing road for access to an existing development and private land. The existing road crosses Trust and private lands. The applicant wants to ensure legal access to existing development and to facilitate future development on Trust and private lands.

CRITERIA FOR EVALUATION:

Easements are excluded from the narrative record of decision process if all of the following four conditions exist:

1. The proposed easement is not located entirely on Trust land or, if it is located entirely on Trust land, it is located in an existing corridor.
2. The proposed easement term is 30 years or less.
3. The applicant has paid the fee as determined by the Agency.
4. The proposed easement will not have an unreasonably adverse effect on the developability or marketability of the subject property.

Easement charges are determined pursuant to R850-40-600:

The agency may annually establish price schedules for easements based on the cost incurred by the agency in administering the easement and the fair-market value of the particular use.

EASEMENT NO. 348 (CONT'D)

EVALUATION OF FACTS:

The proposed easement is not located entirely on Trust land and is within an existing easement corridor being an existing road. It is for a term of thirty years, and the applicant has paid the Agency-determined fee. As far as the staff has been able to determine, there will be no unreasonable adverse effect on the marketability or developability of the subject property. Therefore, this summary will constitute the record of decision.

This proposal was not sent through RDCC because the easement is for an existing road. It is also not considered an undertaking pursuant to R850-60-200 because it is an existing road and there will be no new surface disturbance.

Upon recommendation from Mr. Brown, Mr. Carter approved Easement No. 348 for a term of 30 years, with the fee being \$19,550 plus a \$600.00 application fee, and an administrative fee being assessed every three years beginning January 1, 1998. The expiration date will be December 31, 2025.

* * * * *

SPECIAL USE LEASE AGREEMENTS

SPECIAL USE LEASE AGREEMENT 710 (THREE-YEAR REVIEW)

SULA 710 is leased to Robert Holt Farms, Inc., P.O. Box 268, Enterprise, Utah 84725.

1. ANNUAL RENTAL:

The three-year review date for this lease is December 1, 1995. The subject property is used for an agricultural lease. Based upon the Board-approved index, it is recommended that the lease fee be increased from \$830.00 per year to \$860.00 per year, effective December 1, 1995. A certified notice was sent to the lessee informing him of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$860.00 divided by the Acres in lease: 160 ac = \$5.38 per acre.

2. DUE DILIGENCE:

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. PROPER USE:

The leased premises are being used in accordance with the lease agreement.

SPECIAL USE LEASE AGREEMENT 710 (THREE-YEAR REVIEW) (CONT'D)

4. ADEQUATE BOND AND INSURANCE COVERAGE:
The lease does not require either a bond or insurance.
5. ESTABLISHMENT OF WATER RIGHTS:
There are no water rights associated with this lease.
6. POLLUTION AND SANITATION REGULATIONS:
The Agency is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.
7. NEXT ASSESSMENT DATE:
The next assessment date will be December 1, 1998.

Upon recommendation from Mr. Brown, the Director approved the three-year review for SULA 710.

REINSTATEMENT OF SPECIAL USE LEASE AGREEMENT NO. 915

LESSEE:	FUND:	School
BEAR RIVER CONTRACTORS	ACRES:	10.00
P.O. BOX 26553	COUNTY:	Washington
SLC, UT 84126		

LEGAL DESCRIPTION:
Township 43 South, Range 15 West, SLB&M
Sec. 20: NE4NE4NE4

PROPOSED ACTION:
The lessee has requested that the Agency reinstate SULA 915.

RELEVANT FACTUAL BACKGROUND:
On December 11, 1995, the Agency terminated SULA 915 for non-payment of rental. The lessee has requested that the Agency reinstate this lease pursuant to Agency rule.

CRITERIA FOR EVALUATION:
R850-5-500(1) provides that leases issued competitively may be reinstated if the request is made within 60 days of cancellation and if the reinstatement is in the best interests of the Trust Beneficiaries.

Exclusion No. 14 in the Administrative Policy on Records of Decision states that "Actions which otherwise are not excluded, but which the Director concludes are not substantive, or which do not warrant the time

REINSTATEMENT OF SPECIAL USE LEASE AGREEMENT NO. 915 (CONT'D)

and expense necessary to complete a full narrative Record, if the action will not restrict an interested party access to an appeal process."

EVALUATION OF FACTS:

The lessee made the request to reinstate this lease prior to the 60-day deadline. The lease presently returns nearly \$4,000.00 per year, and has escalation clauses which are reflective of current Agency procedures. There is limited potential of getting a higher rental by requiring the lessee to compete again for the right to lease the parcel. This potential must be weighed against the following considerations:

- a) We may not get as favorable a lease if we open it up again.
- b) We may suffer administrative costs due to eviction proceedings or challenges to the decision.
- c) We may present an impression of being uncooperative and unsupportive to our lessees. This damages the amount of trust that current and future lessees will place in the Agency, with the consequence of devaluing our leases.

This action does not warrant the time and expense necessary to complete a full narrative Record and it will not restrict an interested party access to an appeal process. Therefore, this summary will constitute the Record of Decision.

The Staff finds that it would be in the best interest of the Trust Beneficiaries to reinstate SULA 915 at the current rental of \$4,000.00/year; pursuant to R850-5-5(1), all back rentals, late fees, and reinstatement fees have been paid.

Upon recommendation from Mr. Brown, the Director approved the reinstatement of SULA 915.

* * * * *

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TIMBER APPLICATIONS

TIMBER APPLICATION NO. 715

The School and Institutional Trust Lands Administration offered an estimated 4,000 tons of aspen sawtimber for sale, identified as Timber Application #715, on the following described land:

TOWNSHIP 30 SOUTH, RANGE 1 WEST, SLB&M Piute County
Section: 11, W2W2 (within)

Predesignation No. 257 authorized competitive timber sales from the above acreage upon completion of Agency-determined cultural resource consultation/compliance. Cultural resource consultation/compliance was completed on November 7, 1995, with a finding by the Deputy Director that a cultural resource survey would not be required.

Because of the size, the valuation, and the current interest, it warranted a competitive sale. It was advertised for two consecutive weeks. A single sealed bid was received and consequently the timber was sold to Utah Aspen Mills, 5725 North Highway 89, Sigurd, Utah 84657. This aspen sawtimber was sold on a tonnage basis for \$3.25 per ton. Ten percent of the estimated total sale revenue, \$1,300, was received at the time of sale. The contract begins 12/15/95 and ends 12/14/96. The advertising cost of \$108.00 was received from Utah Aspen Mills. The administrative fee of \$100.00 was paid by Utah Aspen Mills.

Upon the recommendation from Mr. Carmichael, the Director approved the sale of TA #715.

CANCELLATION OF TIMBER APPLICATION NO. 706

A final site inspection of Timber Application No. 706 (TA #706) by the Sale Administrator, Mr. Carmichael, was completed November 28, 1995. No contract violations were found and harvesting has been completed. A \$3,000.00 performance bond was posted by Utah Aspen Mills according to TA #706 contract specifications.

Upon the recommendation from Mr. Carmichael, the Director approved the performance bond release and cancellation of TA #706.

BONDING OF TIMBER APPLICATION NO. 715

A \$7,000.00 performance bond was required for Timber Application No. 715 (TA #715). Utah Aspen Mills, represented by Bob Jensen, has requested that the \$3,000.00 cash performance bond posted for Timber Application No. 706 (TA #706) be transferred for partial payment of the bond for TA #715. An additional \$4,000.00 cash has been received from Utah Aspen Mills for the balance of the required \$7,000.00 bond. Mr. Carmichael recommends the release and transfer of the \$3,000.00 bond from TA #706 to TA #715.

Upon the recommendation from Mr. Carmichael, the Director approved the bonding of TA #715.

* * * * *

CANCELLED MINERAL LEASES

The following mineral leases are those not paid on or before the cancellation date of December 11, 1995. Certified notices were mailed.

<u>NAME</u>	<u>ACCOUNT NO.</u>	<u>TYPE</u>
Coastal Oil & Gas Corp.	ML 43057	OGH
Coastal Oil & Gas Corp.	ML 43060	OGH
Coastal Oil & Gas Corp.	ML 43061	OGH
Coastal Oil & Gas Corp.	ML 43062	OGH
Coastal Oil & Gas Corp.	ML 43064	OGH
Coastal Oil & Gas Corp.	ML 43065	OGH
Key Production Company	ML 43066	OGH
Coastal Oil & Gas Corp.	ML 43068	OGH
Coastal Oil & Gas Corp.	ML 43069	OGH
Key Production Company	ML 43073	OGH
Coastal Oil & Gas Corp.	ML 43085	OGH
Crestone Energy Corp.	ML 43086	OGH
Sunfield Energy Company	ML 45071	OGH
Sunfield Energy Company	ML 45072	OGH
Sunfield Energy Company	ML 45073	OGH
Sunfield Energy Company	ML 45074	OGH
Sunfield Energy Company	ML 45075	OGH
Sunfield Energy Company	ML 45076	OGH
Sunfield Energy Company	ML 45077	OGH
Larry White	ML 45446	OGH
Lane Lasrich	ML 45448	OGH
Chuska Energy Company	ML 45458	OGH
John A. Worden	ML 46114	OGH
Andover Partners	ML 46122	OGH
Andover Partners	ML 46123	OGH
Rangeland Exploration Company	ML 46134	OGH

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CANCELLED MINERAL LEASES (CONT'D)

<u>NAME</u>	<u>ACCOUNT NO.</u>	<u>TYPE</u>
Jon R. Young	ML 46136	BSLS
James B. Cady Jr.	ML 46152	GYP
Richard K. Reuling Jr.	ML 46155	OGH
Lamond Waters	ML 46679	MM
Lamond Waters	ML 46680	MM
Milton R. Hanks	ML 46682	MM
Cottonwood Resources	ML 46797	MM
Cottonwood Resources	ML 46798	MM
Ron Pene	ML 46801	MM
Cottonwood Resources	ML 46806	MM

Upon recommendation of Mr. Johnson, the Director approved the cancellation of the above captioned leases.

CANCELLED SPECIAL USE LEASE AGREEMENT

The following special use lease agreement was not paid on or before the cancellation date of December 11, 1995. A certified notice has been sent.

<u>NAME</u>	<u>LEASE NO.</u>	<u>COUNTY</u>
Bear River Contractors	SULA 915	Washington

Upon recommendation of Mr. Johnson, the Director approved the cancellation of SULA 915.

REFUND REQUESTED - ROYALTY

Bonneville Fuels Corporation - 1660 Lincoln - Suite 1800 - Denver, CO 80264 has requested a refund in the amount of \$60.98. This amount was reported and paid as royalty due for the period of 7/95 (ROY526410301). Bonneville Fuels then discovered a reporting error and that this amount was not actually due for the period of 7/95. They have requested a refund and filed an amendment (ROY536310201).

Accounting records have been reviewed, and upon recommendation of Mr. Johnson, the Director approved the above captioned refund in the amount of \$60.98

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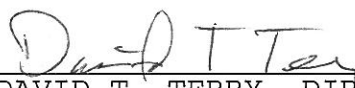
REFUND REQUESTED - ML 3453-B

A refund in the amount of \$2524.00 is due to CKM Resources, Inc. as per a stipulation for setoff of administrative claims issued by the United States Bankruptcy Court/District of Nevada. This refund was requested by John Andrews after a check in the amount of \$5016.44 was receipted by us on December 7, 1995. The refund check should be given to John Andrews who will forward the check along with other documentation to CKM Resources.

Mr. Johnson and Mr. Andrews recommend approval of this refund.

Upon recommendation of Mr. Johnson, and Mr. Andrews, the Director approved the above captioned refund in the amount of \$2524.00.

<u>INTEREST RATE</u>	<u>CURRENT YEAR</u>	<u>YEAR AGO</u>
Base Rate	8.50%	8.50%



DAVID T. TERRY, DIRECTOR
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION



LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

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